

105TH CONGRESS
2D SESSION

S. 318

AMENDMENTS

In the House of Representatives, U. S.,

July 14, 1998.

Resolved, That the bill from the Senate (S. 318) entitled “An Act to require automatic cancellation and notice of cancellation rights with respect to private mortgage insurance which is required as a condition for entering into a residential mortgage transaction, to abolish the Thrift Depositor Protection Oversight Board, and for other purposes”, do pass with the following

AMENDMENTS:

1 **(1)**Page 1, line 5, strike **[1997]** and insert: *1998*

2 **(2)**Page 12, after line 16 insert the following:

3 *(4) GAO REPORT.—Not later than 2 years after*
4 *the date of the enactment of this Act, the Comptroller*
5 *General of the United States shall submit to the Con-*
6 *gress a report describing the volume and characteris-*
7 *tics of residential mortgages and residential mortgage*
8 *transactions that, pursuant to paragraph (1) of this*
9 *subsection, are exempt from the application of sub-*
10 *sections (a) and (b). The report shall—*

11 *(A) determine the number or volume of such*
12 *mortgages and transactions compared to residen-*

1 *tial mortgages and residential mortgage trans-*
2 *actions that are not classified as high-risk for*
3 *purposes of paragraph (1); and*

4 *(B) identify the characteristics of such*
5 *mortgages and transactions that result in their*
6 *classification (for purposes of paragraph (1)) as*
7 *having high risks associated with the extension of*
8 *the loan and describe such characteristics, in-*
9 *cluding—*

10 *(i) the income levels and races of the*
11 *mortgagors involved;*

12 *(ii) the amount of the downpayments*
13 *involved and the downpayments expressed*
14 *as percentages of the acquisition costs of the*
15 *properties involved;*

16 *(iii) the types and locations of the*
17 *properties involved;*

18 *(iv) the mortgage principal amounts;*
19 *and*

20 *(v) any other characteristics of such*
21 *mortgages and transactions that may con-*
22 *tribute to their classification as high risk*
23 *for purposes of paragraph (1), including*
24 *whether such mortgages are purchase-money*
25 *mortgages or refinancings and whether and*

1 *to what extent such loans are low-docu-*
 2 *mentation loans.*

3 **(3)**Page 24, strike lines 15 through 23 and insert:

4 (2) *PROTECTION OF EXISTING STATE LAWS.—*

5 (A) *IN GENERAL.—The provisions of this*
 6 *Act do not supersede protected State laws, except*
 7 *to the extent that the protected State laws are in-*
 8 *consistent with any provision of this Act, and*
 9 *then only to the extent of the inconsistency.*

10 (B) *INCONSISTENCIES.—A protected State*
 11 *law shall not be considered to be inconsistent*
 12 *with a provision of this Act if the protected State*
 13 *law—*

14 (i) *requires termination of private*
 15 *mortgage insurance or other mortgage guar-*
 16 *anty insurance—*

17 (I) *at a date earlier than as pro-*
 18 *vided in this Act; or*

19 (II) *when a mortgage principal*
 20 *balance is achieved that is higher than*
 21 *as provided in this Act; or*

22 (ii) *requires disclosure of informa-*
 23 *tion—*

1 (I) that provides more informa-
 2 tion than the information required by
 3 this Act; or

4 (II) more often or at a date ear-
 5 lier than is required by this Act.

6 (C) *PROTECTED STATE LAWS.*—For pur-
 7 poses of this paragraph, the term “protected
 8 State law” means a State law—

9 (i) regarding any requirements relat-
 10 ing to private mortgage insurance in con-
 11 nection with residential mortgage trans-
 12 actions;

13 (ii) that was enacted not later than 2
 14 years after the date of the enactment of this
 15 Act; and

16 (iii) that is the law of a State that had
 17 in effect, on or before January 2, 1998, any
 18 State law described in clause (i).

19 **(4)**Page 27, line 21 before “Nothing” insert:

20 (a) *PMI NOT REQUIRED.*—

21 **(5)**Page 27, after line 23 insert the following:

22 (b) *NO PRECLUSION OF CANCELLATION OR TERMI-*
 23 *NATION AGREEMENTS.*—Nothing in this Act shall be con-
 24 strued to preclude cancellation or termination, by agree-
 25 ment between a mortgagor and the holder of the mortgage,

1 *of a requirement for private mortgage insurance in connec-*
2 *tion with a residential mortgage transaction before the can-*
3 *cellation or termination date established by this Act for the*
4 *mortgage.*

Attest:

Clerk.